

**REVENUE DEPARTMENT[701]**

**Adopted and Filed**

Pursuant to the authority of Iowa Code sections 421.14 and 422.68, the Department of Revenue hereby adopts amendments to Chapter 42, “Adjustments to Computed Tax,” Chapter 43, “Assessments and Refunds,” Chapter 52, “Filing Returns, Payment of Tax and Penalty and Interest,” and Chapter 58, “Filing Returns, Payment of Tax, Penalty and Interest, and Allocation of Tax Revenues,” Iowa Administrative Code.

Notice of Intended Action was published in IAB Vol. XXXI, No. 7, p. 802, on September 24, 2008, as **ARC 7196B**.

Item 1 amends paragraphs 42.24(3)“d,” “e” and “f” to provide that the wage-benefits tax credit for individual income tax will be allowed through the fiscal year ending June 30, 2011.

Item 2 adopts new subrule 42.24(5) to provide that the wage-benefits tax credit for individual income tax is repealed effective July 1, 2008, but that the wage-benefits credit will still be allowed through the fiscal year ending June 30, 2011. Item 3 amends the implementation sentence for rule 701—42.24(151,422).

Items 4 and 6 amend rule 701—42.25(422,476B) and subrule 42.25(2) to provide that the wind energy production tax credit for individual income tax is also available to facilities that will use the electricity for on-site consumption.

Item 5 amends subrule 42.25(1) to provide that for applications for the wind energy production tax credit filed on or after March 1, 2008, a facility must consist of one or more wind turbines which have a combined nameplate generating capacity of at least two megawatts.

Item 7 amends subrule 42.25(3) to eliminate the provision that the wind energy production tax credit for individual income tax can only be transferred once. Item 8 amends the implementation sentence for rule 701—42.25(422,476B).

Item 9 amends rule 701—42.32(422) to provide that the computation and eligibility requirements for the biodiesel blended fuel tax credit for individual income tax will be done on a site-by-site basis for tax years beginning on or after January 1, 2009.

Items 10 and 11 amend rule 701—42.33(422) and paragraph 42.33(1)“a” to provide that the soy-based transformer fluid tax credit for individual income tax is available for costs incurred through December 31, 2008. Item 12 amends the implementation sentence for rule 701—42.33(422).

Item 13 amends subrule 42.35(2) to provide for an alternative format for submitting qualified expenditures relating to the film qualified expenditure tax credit for individual income tax.

Items 14 and 15 amend subrules 42.35(3) and 42.36(2) to eliminate the restriction that tax credit certificates for the film qualified expenditure tax credit and the film investment tax credit for individual income tax can only be transferred if the amount was \$1,000 or more.

Items 16 and 17 amend subrules 43.4(8) and 43.4(9) to provide that the veterans trust fund checkoff and the joint keep Iowa beautiful fund and volunteer firefighter preparedness fund checkoff are only in effect until tax years beginning prior to January 1, 2008.

Item 18 adopts new subrules 43.4(10) and 43.4(11) to provide for the child abuse prevention program fund checkoff and the joint veterans trust fund and volunteer firefighter preparedness fund checkoff that takes effect for tax years beginning on or after January 1, 2008. Item 19 amends the implementation sentence for rule 701—43.4(68A,422,456A).

Item 20 amends subrule 52.1(10) to provide for the repeal of the deferment of income for start-up companies effective for tax years beginning on or after January 1, 2008. Item 21 amends the implementation sentence for rule 701—52.1(422).

Item 22 amends paragraphs 52.25(3)“d,” “e” and “f” to provide that the wage-benefits tax credit for corporation income tax will be allowed through the fiscal year ending June 30, 2011. This is similar to the change in Item 1.

Item 23 adopts new subrule 52.25(5) to provide that the wage-benefits tax credit for corporation income tax is repealed effective July 1, 2008, but that the wage-benefits credit will still be allowed through the fiscal year ending June 30, 2011. This is similar to the change in Item 2. Item 24 amends the implementation sentence for rule 701—52.25(151,422).

Items 25 and 27 amend rule 701—52.26(422,476B) and subrule 52.26(2) to provide that the wind energy production tax credit for corporation income tax is also available to facilities that will use the electricity for on-site consumption. This is similar to the change in Items 4 and 6.

Item 26 amends subrule 52.26(1) to provide that for applications for the wind energy production tax credit filed on or after March 1, 2008, a facility must consist of one or more wind turbines which have a combined nameplate generating capacity of at least two megawatts. This is similar to the change in Item 5.

Item 28 amends subrule 52.26(3) to eliminate the provision that the wind energy production tax credit for corporation income tax can only be transferred once. This is similar to the change in Item 7. Item 29 amends the implementation sentence for rule 701—52.26(422,476B).

Item 30 amends rule 701—52.31(422) to provide that the computation and eligibility requirements for the biodiesel blended fuel tax credit for corporation income tax will be done on a site-by-site basis for tax years beginning on or after January 1, 2009. This is similar to the change in Item 9.

Items 31, 32 and 33 amend rule 701—52.32(422), paragraph 52.32(1)“a” and the implementation clause for rule 701—52.32(422) to provide that the soy-based transformer fluid tax credit for corporation income tax is available for costs incurred through December 31, 2008. This is similar to the change in Items 10 and 11.

Item 34 amends subrule 52.34(2) to provide for an alternative format for submitting qualified expenditures relating to the film qualified expenditure tax credit for corporation income tax. This is similar to the change in Item 13.

Items 35 and 36 amend subrules 52.34(3) and 52.35(2) to eliminate the restriction that tax credit certificates for the film qualified expenditure tax credit and the film investment tax credit for corporation income tax can only be transferred if the amount was \$1,000 or more. This is similar to the change in Items 14 and 15.

Item 37 amends rule 701—58.14(151,422) to reference the repeal of the wage-benefits credit for franchise tax.

These amendments are identical to those published under Notice of Intended Action.

These amendments will become effective December 24, 2008, after filing with the Administrative Rules Coordinator and publication in the Iowa Administrative Bulletin.

These amendments are intended to implement Iowa Code chapter 15I as amended by 2008 Iowa Acts, House File 2700; Iowa Code Supplement section 422.11P as amended by 2008 Iowa Acts, House File 2689; Iowa Code Supplement section 422.33 as amended by 2008 Iowa Acts, House File 2689 and Senate File 572; Iowa Code section 422.24A as amended by 2008 Iowa Acts, Senate File 2400; Iowa Code Supplement section 422.11R as amended by 2008 Iowa Acts, Senate File 571; 2008 Iowa Acts, Senate File 2124; Iowa Code chapter 476B as amended by 2008 Iowa Acts, Senate File 2405; and Iowa Code chapter 476D as amended by 2008 Iowa Acts, Senate File 572.

EDITOR’S NOTE: Pursuant to recommendation of the Administrative Rules Review Committee published in the Iowa Administrative Bulletin, September 10, 1986, the text of these amendments [amendments to Chs 42, 43, 52, 58] is being omitted. These amendments are identical to those published under Notice as **ARC 7196B**, IAB 9/24/08.

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[For replacement pages for IAC, see IAC Supplement 11/19/08.]